

**Protection of small investors**

3195. SHRI DIPANKAR MUKHERJEE: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(j) whether Government's attention has been drawn to the newsitem captioned "Foremost Industries fail to make payment" appearing in the 'Hindustan Times' dated 24th July, 2000;

(k) if so, the action taken on each case; and

(l) the action contemplated by Government to protect small investors?

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING AND MINISTER OF STATE OF THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI ARUN JAITLEY): (a) Yes, Sir.

(a) The position about the cases/companies is given in the statement (See below).

(b) Government is taking steps to make law more stringent to protect the interests of small investors.

**Statement**

- (i) The complaint is against M/s. Foremost Industries (India) Ltd., New Delhi. The complainant has said that he has approached the Company Law Board, Western Region Branch in 1993 but the company has not yet paid the money.

The prosecution has been filed against the company and its officers under section 58A(10) of the Companies Act, for default in non-payment of fixed deposits and the cases are pending in the Court.

- (ii) The complaint is regarding non-transfer of shares by M/s. Jindal Vijay Nagar Steel Ltd. This company has been identified for prosecution under section 113 (Non-transfer of Shares) of the Companies Act, 1956 and orders have been issued for penal action.

- (iii) The complaint is regarding non-payment of interest on debentures by M/s. Paam Pharmaceuticals (Delhi) Ltd. The company is a sick company and is registered under BIFR Act.
- (iv) The complaint is regarding non-payment of deposit amount towards booking of a Pal Peugeot 309 car. In this case redressal is to be sought in the appropriate Court.
- (v), (vi) The complaints are against M/s. DCM Financial Services & (vii) Ltd., which is a Non-Banking Finance company. Such companies are regulated by Reserve Bank of India. The Company Law Board has passed an order in case of DCM Financial Services Ltd. on 17.07.98. Subsequently, the company came for the revision, of the order, on which, however, no final order has been passed since the company has filed a scheme of restructuring and arrangement with its creditors before Hon'ble High Court of Delhi and the matter is subjudice.
- (viii) The complaint is against M/s. Barkat Leasing & Financial Services Ltd. The company is a Non-Banking Financial Company. Such companies are regulated by the Reserve Bank of India. The complaint has not mentioned whether he has brought the complaint to the notice of Reserve Bank of India. The Company Law Board has also not received any complaint against this company for the refund of deposits.
- (ix) The complaint is against M/s. Anubhav Ago & Housing Developers regarding bouncing of cheque. It has been mentioned in the complaint that the Chennai police is already investigating the case and the complainant has requested to the concerned authorities to include his name as one of the investors.

This is a firm and firms are not regulated under Companies Act. In this matter the complainant may approach the Police authorities as Police is already investigating the matter.

- (x) The complaint is against M/s. MCS Ltd., Unit Essar Oil Ltd. regarding bouncing of the interest warrant. The complainant may seek redressal under Negotiable Instrument Act.
- (xi) The complaint of Shri Ved Prakash Kumar is regarding bouncing of cheques issued by M/s. Prudential Capital Market Ltd. The RBI has already filed a criminal complaint against the company and its present directors on 16.11.99 in the Court of Chief Metropolitan Magistrate, Calcutta under section 58 B(4AAA) read with 58C and 58E of RBI Act, 1934.
- (xii) The complaint is against M/s. Rockland Leasing, which is a Non-Banking Finance Company. Such companies are regulated by RBI. In case of this company, Company Law Board had passed an order on 26.06.98 for repayment of deposits. The company had gone to the High Court of Delhi against CLB order. RBI has informed that it has filed a criminal petition in the Court of Chief Metropolitan Magistrate, New Delhi for non-compliance of CLB orders.
- (xiii) The complaint is regarding bouncing of cheques which were issued to the complainant in connection with Anubhav Dhana Viruksha Certificate. In this case redressal is to be sought in the appropriate court.

**Insertion of new fundamental right**

3196. SHRI P. PRABHAKAR REDDY: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

- (b) whether it is a fact that the Central Vigilance Commission has written a letter to Constitution Review Committee requesting to insert a new fundamental Right in Part III of the Constitution;
- (c) if so, the details thereof;
- (d) whether Government are in agreement with the CVC in the matter;
- (e) if so, what steps Government would take to support his suggestion in this regard; and